

Monroe County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Monroe County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Monroe County has one cross-county unit, Lake Lemon Conservancy, which crosses into Brown County. Monroe is the major county for Lake Lemon Conservancy. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$9.8 million or 7.55%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Monroe County Community School Corporation (\$4,080,345) and the County unit (\$2,304,368).

Monroe County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$10,973,525	\$12,490,599	\$1,517,074	13.82%
Health	317,337	397,919	80,582	25.39%
Children's Psychiatric Res Treatment	63,467	114,655	51,188	80.65%

Monroe County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare – Family and Children	\$6,321,360	\$5,624,816	-\$696,544	-11.02%

Total County levy increased by \$2,304,368 or 9.88%. Existing cash balances used in Children's Psych Treatment for 2007, but the levy was increased for 2008. The County received a levy appeal in the GF for county courts in the amount of \$1,315,464.

Bloomington Civil City

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$14,908,040	\$14,748,756	-\$159,284	-1.07%
Fire Pension	998,069	674,688	-323,381	-32.40%
Police Pension	649,906	471,932	-177,974	-27.38%
Park and Recreation	4,297,335	5,397,506	1,100,171	25.60%

Total City levy increased \$372,774 or 1.56%.

Richland-Bean Blossom Community Schools

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$5,060,720	\$5,734,461	\$673,741	13.31%
Debt Service	2,373,110	2,852,953	479,843	20.22%

Total School levy increase of \$1,466,542 or 13.17%. No additional debt service received. Payments increased per payment schedule.

Monroe County Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$32,504,553	\$35,356,381	\$2,851,828	8.77%
School Pension	1,045,468	867,967	-177,501	-16.98%
Capital Projects	7,480,408	8,567,486	1,087,078	14.53%

Total School levy increase of \$4,080,345 or 7.13%. School GF received a shortfall appeal of \$180,000 for 2008.

Monroe County Public Library

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Library Capital Projects	\$-0-	\$445,129	\$445,129	-%

Total Library levy increase of \$672,474 or 11.85%. Capital projects fund re-established for 2008.

Perry-Clear Creek Fire Protection

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Cumulative Fire Special	\$96,319	\$210,194	\$113,875	118.23%

Total District levy increase of \$146,484 or 13.75%.

Monroe County Solid Waste District

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$-0-	\$391,174	\$391,174	-%

Total District levy increase of \$394,923 or 31.75%. Approved for solid waste district bonds of \$4.3M in 2007.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	4.45%
Industrial	5.92%
Commercial	11.51%
Residential	6.60%
Exempt	6.65%
Utility	-2.38%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	4.71%	4.57%
Industrial	3.95%	3.89%
Commercial	22.43%	23.25%
Residential	62.02%	61.46%
Exempt	6.80%	6.75%
Utility	0.09%	0.08%

As can be seen from the analysis, a shift from residential, industrial, exempt, and agricultural property to commercial property occurred. This shift was approximately 0.82%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BEAN BLOSSOM TOWNSHIP	5.79%	8.36%	2.43%	4.37%	6.77%	-0.18%
STINESVILLE TOWN	-1.12%	1.64%	2.80%	4.68%	7.16%	-0.87%
BENTON TOWNSHIP	6.75%	7.89%	1.07%	3.01%	4.34%	-5.22%

BLOOMINGTON TOWNSHIP	2.82%	5.12%	2.24%	4.24%	5.88%	-4.69%
BLOOMINGTON CITY- BLOOMINGTON T	3.65%	4.14%	0.47%	1.64%	3.52%	-8.65%
CLEAR CREEK TOWNSHIP	7.37%	9.97%	2.43%	4.58%	6.32%	-3.81%
INDIAN CREEK TOWNSHIP	11.50%	13.55%	1.84%	3.97%	5.55%	-4.18%
PERRY TOWNSHIP	9.94%	12.83%	2.63%	4.87%	6.63%	-3.41%
BLOOMINGTON CITY-PERRY TOWNSHI	6.65%	7.20%	0.52%	1.69%	3.59%	-8.55%
POLK TOWNSHIP	5.88%	7.90%	1.91%	3.82%	5.60%	-5.51%
RICHLAND TOWNSHIP	13.72%	15.89%	1.91%	3.70%	6.07%	-0.95%
BLOOMINGTON CITY-RICHLAND TWP.	2.73%	3.57%	0.82%	1.95%	4.45%	-5.31%
ELLETTSVILLE TOWN	8.45%	6.45%	-1.85%	-1.08%	0.86%	-7.66%
SALT CREEK TOWNSHIP	3.54%	6.04%	2.41%	4.76%	6.28%	-3.30%
VAN BUREN TOWNSHIP	0.89%	3.30%	2.39%	4.47%	5.97%	-3.84%
BLOOMINGTON CITY-VAN BUREN TWP	1.28%	1.75%	0.46%	1.61%	3.51%	-8.79%
WASHINGTON TOWNSHIP	3.93%	6.37%	2.35%	4.66%	6.23%	-3.60%
ELLETTSVILLE BN BLOS	n/a	n/a	n/a	n/a	n/a	n/a
Average	6.27%	7.55%	9.25%	3.06%	4.99%	-4.83%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies especially from debt, which doesn't benefit from PTRC and HSC.

The estimated reduction in net homestead tax bills for Monroe County is 24.89%.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	22.9%	21.5%	34.5%	13.3%	5.9%	1.9%
Industrial	25.8%	17.4%	22.1%	17.9%	16.2%	0.6%
Residential	17.4%	19.6%	38.6%	18.2%	4.2%	2.2%
Overall	18.3%	19.8%	37.7%	17.5%	4.7%	2.1%

TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.